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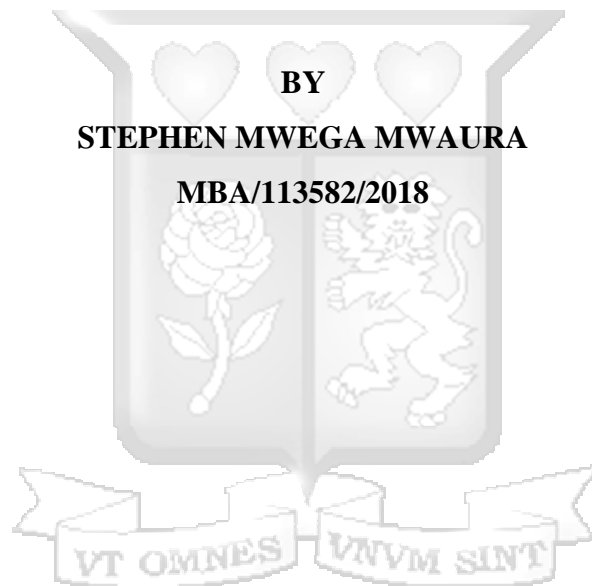
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**DETERMINANTS OF CUSTOMER E-LOYALTY IN THE ONLINE RETAIL  
INDUSTRY IN KENYA: A CASE STUDY OF JUMIA KENYA**



**BY**

**STEPHEN MWEGA MWAURA**

**MBA/113582/2018**

**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS OF THE DEGREE OF MASTER'S IN BUSINESS  
ADMINISTRATION AT STRATHMORE UNIVERSITY**

**APRIL 2021**

## DECLARATION

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### Approval

The dissertation of Stephen Mwega Mwaura was approved by the following:

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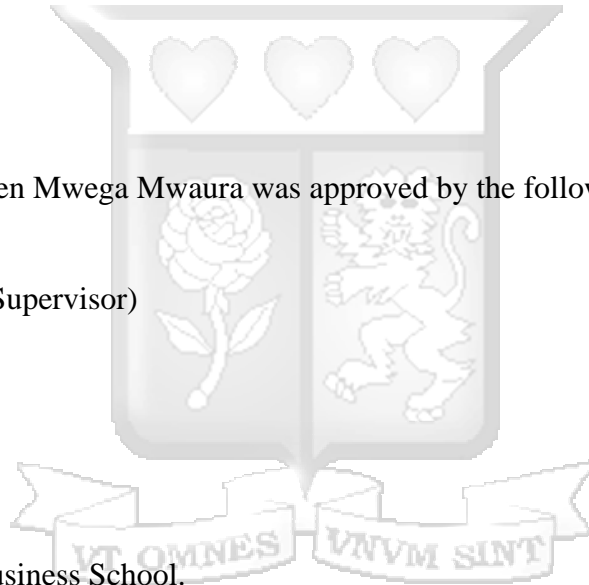
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## ABSTRACT

Studies have shown that customer e-loyalty directly impacts the profitability of a business. Due to the rapid growth of online retailing, competition is stiff and as such business need to ensure that their costumers remain loyal in their patronage, which would then translate to profitability. This research examined the determinants of customer e-loyalty within the online retail industry in Kenya, with a focus on Jumia Kenya. The study was anchored on the theory of planned behavior and the technology acceptance model theory. A descriptive research design was selected for the study. The study adopted a convenience sampling approach to select online shoppers who patronize Jumia Kenya. The sample set was 400 online shoppers. A pilot test was administered to establish the reliability and validity of the research instruments. Questionnaires issued to online shoppers, were used for data collection. The SPSS (Version 23) software was used to analyze data. Descriptive and inferential statistical analyses provided interpretations from the collected data. The research established a positive and statistically significant influence of e-service quality, e-satisfaction and e-trust on customer e-loyalty within the online retail industry in Kenya, albeit this relationship was weak amongst the variables. The study recommends that online retailers improve their practices and strategies that enhance e-trust, e-service quality and e-satisfaction such as: good customer support, reliable online customer service representation, implementation of automation tools such as chatbots for improved customer engagement, and beautification of online catalogs for improved navigation, content management, and comprehensible terms and conditions. Additionally, the study recommends that online retailers raise the quality and variety of goods and services provided, improve delivery times, and invest in loyalty programs and incentives, as these proposals may enhance e-loyalty which has been positively linked to increased profits in multiple studies. Future studies could include other determinants that may influence e-loyalty, namely socioeconomic, cultural, political, environmental and consumer characteristics. Future research could also consider expanding the scope to include different regions within Africa, to generalize the results.



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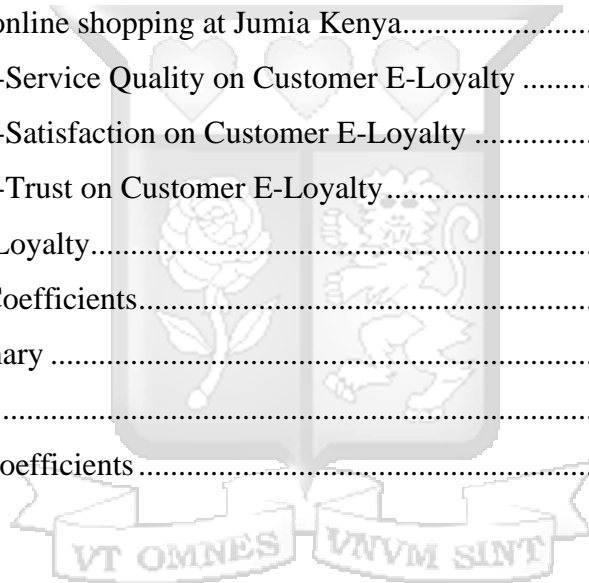
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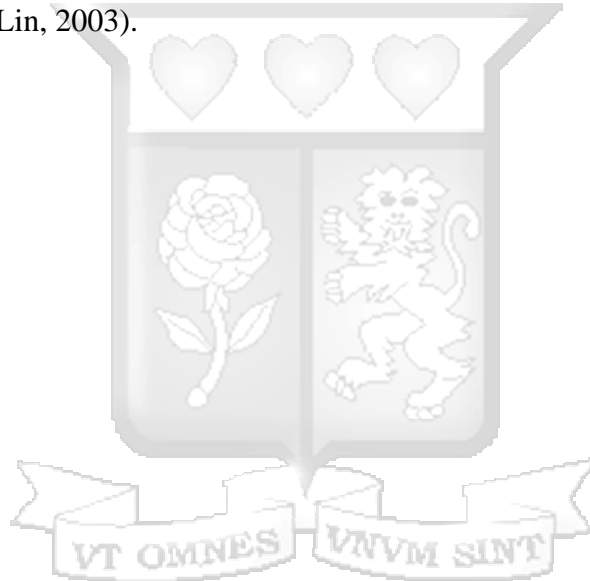
## LIST OF ABBREVIATIONS AND ACRONYMS

SERVQUAL:	Service Quality Model
E-S-QUAL:	Electronic Service Quality Model
E-RecS-QUAL:	Electronic Recovery Service Quality
E-Tailing:	Sale of goods and services, conducted over the internet
E-Loyalty:	Favorable attitude of customers towards online retailers
E-Service Quality:	Customer judgments regarding the quality of service within e-commerce
E-Trust:	Level of confidence in an online retailer
TPB:	Theory of Planned Behavior
TAM:	Technology Acceptance Model
ACSI:	American Customer Satisfaction Index
SPSS:	Statistical Package for Social Sciences software package



## DEFINITION OF KEY TERMS

- Online retailing:** Sale of goods and services via virtual stores on the web (Khare, Khare & Singh, 2012).
- Customer E-loyalty:** The patron's determination to continually buy from an online retailer and resist switching to another (Valvi & West, 2013).
- E-Service Quality:** A customer's perception regarding the caliber of service in the virtual stores (Parasuraman, Berry & Zeithaml, 1988).
- E-Satisfaction:** A client's contentment with prior experiences with an online retailer (Anderson & Srinivasan, 2003).
- E-trust:** The level of confidence in an online retailer's products or services (Luarn & Lin, 2003).



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# CHAPTER ONE

## INTRODUCTION

### 1.1 Introduction

Kenya's online retail industry is estimated to be worth about KShs. 1.6 trillion (Communications Authority of Kenya, 2020). Kenya being a political, social and economic hub of East Africa, has experienced substantial growth in online retail markets, and this has seen various online retailing platforms sprout (Nielsen, 2016). In order to improve their bottom line, companies need to manage relationships with their customers to better acquire, serve and preserve them, and consequently offer improved experiences (Kabanda & Brown, 2017). While many firms only focus on replacing lost clients, growing the business and expanding into new markets, studies show that there is financial merit in keeping existing customers and enhancing customer loyalty (Weinstein, 2002).

### 1.2 Background of the study

Online retailing (E-tailing) refers to the sale of goods and services via virtual stores hosted online (Khare et al., 2012). Research shows that the number of e-tailing stores is growing faster than traditional brick-and-mortar outlets (Chang, Wang & Yang, 2009); the researchers further mention that e-tailing is proving to be advantageous compared to traditional physical stores, as exhibited by its growth. These advantages include lower operational costs, omnipresent convenience and higher degrees of personalization (Anderson & Srinivasan, 2003). Nevertheless, e-tailing faces some challenges, such as price competition and thinning brand loyalty. This is because online businesses are straightforwardly approachable and accessible, and as a result, customers can effortlessly compare competing prices, products, services and reviews (Anderson & Srinivasan, 2003).

Research by Lu, Chang and Yu (2013) infers that the virtual marketplace is a perfect market because information is directly accessible to all parties, resulting in low information asymmetries between buyers and sellers. Buyers can compare multiple offerings from different sellers, and as such there is an emerging desire to understand the foundations of customer loyalty within the online retail industry (Anderson & Srinivasan, 2003).

### **1.2.1 Customer E-Loyalty**

Customer e-loyalty is a favorable attitude of customers towards online retailers, leading to repeated purchases; e-loyalty is a term coined to extend loyalty to e-tailing (Anderson & Srinivasan, 2003). E-loyalty acknowledges a customer's bond to an online retailer (Shankar, Smith & Rangaswamy, 2002). Loyal customers exhibit the commitment to repurchasing from the same company (Srinivasan, Anderson & Ponnayolu, 2002). Reichheld & Sasser (1990) mention that e-loyalty can improve the bottom line of online retailers; loyal customers reduce costs related to attracting new customers, while increasing the sales and profits of the business in the future. This research took up e-loyalty, characterized by Oliver (1999), as the perceived loyalty of a consumer towards an online retailer, and their commitment to re-purchase from the retailer in the future, notwithstanding external forces and marketing campaigns that incentivize switching behavior. Online markets are dissimilar from physical brick-and-mortar stores, in that they lack personal identities and physical presence, ergo, e-loyalty should be analyzed differently from customer loyalty associated with brick-and-mortar stores, as it subscribes to different variables (Al-Agaga & Nor, 2012).

Research by Kabadayi and Aygun (2007) investigated the antecedents of brand loyalty and the association between price tolerance and brand loyalty. Data was collected from students in various universities in Istanbul, Turkey. The study found a positive relationship between the eagerness to pay premium prices for a brand and customer loyalty. According to Hsu, Wu and Chen (2013), e-loyalty encompasses repeat patronage, referrals and favorable word of mouth recommendations to family and friends. Srinivasan et al. (2002) further build upon this concept by illustrating that e-loyalty involves a favorable attitude towards an online retailer that leads to recurrent patronage. Additionally, Reichheld and Schefer (2000) point out that e-loyalty incorporates quality customer support, prompt delivery, compelling branding, reasonable pricing, convenience, complaints management, as well as transparent and trustworthy privacy policies.

### **1.2.2 Determinants of Customer E-Loyalty**

Since customers cannot physically come into contact with products through a retail website, they may discern value from their experiences, product reviews and word of mouth marketing (Arya & Srivastava, 2015). E-Service quality represents a patron's impression of the service offered by an online retailer, including any auxiliary services that accompanied the sale (Parasuraman et al.,

1988). Cronin, Brady and Hult (2000) concluded that the perceived value in an online retailing context is influenced by the e-service quality which in turn impacts e-loyalty. Although Wolfinbarger and Gilly (2003) identified a positive relationship between e-loyalty and e-service quality, research by Ponirir (2011) has not supported this conclusion, claiming that there is no meaningful relationship between these variables, particularly within developing countries. Several paradigms have been developed in various literature to appraise the quality of online retailing services, for instance: SERVQUAL (Parasuraman, Zeithaml & Berry, 1985), E-RecS-QUAL and E-S-QUAL (Parasuraman, Zeithaml & Malhotra, 2005). The SERVQUAL model measures empathy, tangibles, responsiveness, service quality reliability and assurance. The E-S-QUAL model comprises four dimensions: fulfillment, system availability, privacy and efficiency. The E-RecS-QUAL model comprises three dimensions: contact, compensation and responsiveness. These studies (Parasuraman et al., 1985; Parasuraman et al., 2005) aid to reason that e-service quality should be considered a salient factor that influences e-loyalty. This study focused on these constructs namely reliability, contact, assurance, responsiveness, system availability, compensation and empathy, as dimensions of the e-service quality variable.

In a previous study, e-satisfaction (contentment of consumer concerning their prior purchasing experiences with an online retailer) was recognized as a widely researched construct related to e-loyalty (Chen, Rodgers & He, 2008). According to Anderson and Srinivasan (2003), various papers have also recognized a positive correlation between e-loyalty and e-satisfaction. A study by Zhu, Kuo and Munkhbold (2016) did not arrive at the same result, concluding that there was no significant association between e-loyalty and e-satisfaction. It is hence argued that other factors moderate e-satisfaction, therefore the interrelation between e-loyalty and e-satisfaction should be analyzed and elaborated in future studies (Vu & Huan, 2016).

Siraj, Guo, Kamran and Li (2020) conducted research on the antecedents of e-satisfaction within Chinese e-commerce. The study analyzed questionnaires from Chinese male students and found that e-satisfaction was positively associated with convenience, information, customization and communication. Sanyal (2019) analyzed the factors affecting customer satisfaction within e-commerce websites in Oman, by collecting questionnaires from the residents, who had made at least one purchase online. The study concluded that ease of use, price and availability of multiple

payment options are critical elements in the analysis of customer satisfaction. Alam and Yasin (2010) investigated the main factors which influence customer satisfaction within online shopping in Malaysia. The researchers administered questionnaires to undergraduate students from two universities in Malaysia who had purchased from online shops, and found that reliability, delivery performance, website design, product variety and time saved were key elements in analysing e-satisfaction. This study thus included convenience, efficiency, product variety, ease of use, information accessibility and affordability as the relevant constructs in analysing e-satisfaction.

Research by Luarn and Lin (2003) analyzed the relationship between e-loyalty and e-trust, concluding that sustaining customers' trust in an online retailer is essential to retaining them. Furthermore, e-trust enables customers gain affirmation and reliance from online retailers (Arya & Srivastava, 2015), helping to sustain an abiding relationship on repurchase. These studies highlight that e-trust is a vital element for the analysis of the determinants of e-loyalty, and as such was included as a dimension in this research.

Tamimi and Sebastianelli (2007) conducted a study to evaluate e-trust as it relates to website design characteristics. A sample of internet shoppers in the U.S.A. were used to gauge perceptions of e-trust. The researchers concluded that reliability, assurance and credibility were critical elements of e-trust. The study outlined that assurance further espoused privacy and security. The researchers further explained that credibility espoused honest product and service representation.

This research aimed to narrow down the elements that influence e-loyalty to three: e-satisfaction, e-service quality and e-trust, as other factors have a high correlation to the variables under study, and have weak or indirect or moderating effect on e-loyalty, as has been established by several researchers (Luarn & Lin, 2003; Parasuraman et al., 2005; Ponirin, 2011).

### **1.2.3 Online Retailers in Kenya**

A study by Mwencha (2015) revealed that Kenya is experiencing a technological expansion due to internet and smartphone penetration. The most popular e-commerce websites in Kenya include Savostore, Vituzote, Masoko, Jumia Kenya, Kilimall, Avechi, and Sky.Garden. Kabuba (2014) studied the performance of online retailers in Kenya and concluded that these enterprises face

certain challenges namely, reluctance to shop online prior to experiencing the product or service, lack of personal contact, incompatible delivery infrastructure and customer distrust regarding privacy of personal data. Local retailers and grocery outlets including Chandarana Foodplus, Tuskys, Carrefour, Naivas and Zucchini have forged partnerships with e-commerce organizations to improve sales through digital platforms. Naivas and Zucchini have also partnered with Spanish delivery firm Glovo to help them grow their customer base in areas where they lack physical stores (Wainainah, 2019). Jumia is Kenya's largest online retailer, catering to 80 percent of the Kenya's online marketplace (Mboya, 2020), hence the choice of Jumia Kenya for the research.

### **1.3 Statement of the Problem**

Setting up an online shop does not require a high initial investment or expensive infrastructure (Nielsen, 2016), and to become and remain profitable, online retailers need to re-examine how they interact with current and future patrons (Reinartz & Kumar, 2000). These elements make it an attractive business model to potential vendors and consequently enables merchants sell their products at lower prices (United Nations Conference on Trade and Development, 2018), to increased competition. Customers can readily switch between different online retailers, and in order to curb this desire to switch, companies need to invest in long lasting relationships with patrons to maximize their retention and loyalty (Rafiq, Fulford & Lu 2013). Furthermore, for e-retailers to compete against one another and thrive, it is paramount to establish e-loyalty, as it has been positively linked to increased profits (Reinartz & Kumar, 2000; Timothy, Keiningham, Terry, Vavra, Lerzan & Henri, 2005).

A study by Ponirin (2011) was conducted to evaluate the nature of relationships between the elements that influence e-loyalty and their affiliations with e-loyalty, across developed and developing countries. The study sampled data from Australian and Indonesian online customers. The research did not find any significant positive relationship between e-loyalty and e-service quality in Indonesia. However, the research found that e-loyalty was positively influenced by e-service quality in the developed country, Australia. The research also noted that in Australia, there is no correlation between e-loyalty and e-trust.

Jin, Park and Kim (2008) investigated the market responses (satisfaction, trust, and loyalty) in two nations, the U.S.A (A high-trust society oriented toward individualism) and South Korea (A low-trust society oriented towards collectivism). Data was collected using convenience sampling from shoppers who had made online purchases. Findings from the study showed that customer loyalty increased with customer satisfaction in South Korea, however the researchers did not uncover any affirmation that e-loyalty and e-satisfaction were positively correlated, in the U.S.A. In addition to that, the study did not find any cultural differences within the e-trust and e-loyalty relationship.

Aineah (2016) reviewed the factors that influence online purchasing intention among college students in Nairobi, Kenya. The study sampled students from the University of Nairobi and focused on the following variables: perceived usefulness, perceived ease of use and transactional security of online websites available to the respondents. The study concluded that online shops should be user friendly (perceived usefulness), very easy to use (perceived ease of use) and should limit requests for excessive information from the customers to promote security and trust.

The aforementioned studies (Jin et al., 2008; Ponirin, 2011) investigated the determinants of e-loyalty but their results have been inconclusive, circumstantial and limited in scope, hence cannot be generalized to an Kenyan context due to the geographical limitations of the study; while other studies have focused on singular factors (social, technological or psychological) influencing e-loyalty (Aineah, 2016). This research aimed to resolve this knowledge gap by evaluating the constructs of e-loyalty in the online retail marketplace in Kenya.

## **1.4 General Objective**

The general objective of the study was to analyze the determinants of customer e-loyalty within the online retail industry in Kenya.

### **1.4.1 Specific Objectives**

The particular objectives of the study were:

- i. To evaluate the influence of e-service quality on customer e-loyalty within the online retail industry in Kenya.

- ii. To evaluate the influence of e-satisfaction on customer e-loyalty within the online retail industry in Kenya.
- iii. To evaluate the influence of e-trust on customer e-loyalty within the online retail industry in Kenya.

### **1.5 Research Questions**

The study resolved to answer the following questions:

- i. What influence does e-service quality have on customer e-loyalty within the online retail industry in Kenya?
- ii. What influence does e-satisfaction have on customer e-loyalty within the online retail industry in Kenya?
- iii. What influence does e-trust have on customer e-loyalty within the online retail industry in Kenya?

### **1.6 Scope of the Study**

This research focused on the determinants of e-loyalty within the online retail industry in Kenya. This study concentrated on Jumia Kenya as the online retailer of interest in this research. The research used questionnaires to collect data from 246 out of the 400 sample online shoppers who patronize Jumia Kenya. The study was conducted within a period of 4 months (April – July, 2020).

### **1.7 Significance of the Study**

The study would offer guidance to online retailer firms' owners, managers and investors, on the determinants of e-loyalty within the online retail industry in Kenya. To online retailers, the study would enhance an understanding of the conditions surrounding their operations concerning e-loyalty, e-service quality, e-satisfaction and e-trust and within the online retail industry in Kenya.

This study is also relevant to lawmakers and regulatory authorities as they seek to understand, formulate and implement policies that would assist in developing a fair, just and safe marketplace for online retailers and consumers in the Kenyan economy. It owes to the fact that should the government have friendly policies regarding online retailers; more investors would be attracted

to online retail ventures in Kenya, leading to improved microeconomic and macroeconomic performance.

Additionally, this study would be a reference to researchers and students on the related discourse. Academicians may find this research beneficial to analysing the constructs of customer e-loyalty within the online retail industry in Kenya.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section outlines the theoretical framework, empirical synthesis of past literature concerning the research objectives, the conceptual framework and the research gap.

#### **2.2 Theoretical Framework**

The schools of thought informing this research were the theory of planned behavior and the technology acceptance model theory.

##### **2.2.1 Theory of Planned Behavior**

The research was anchored by the Theory of Planned Behavior (TPB). In 1985, Ajzen proposed the TPB which states that individuals conduct behaviors by assessing the information available to them. The TPB consists of three constructs; the first construct is attitude, which is identified as the degree to which one assesses the conduct in question to a favorable or unfavorable result. The second construct, the subjective norm, refers to the cultural norms and group beliefs that govern a given behavior. Perceived behavioral control is the third construct and refers to how favorable or unfavorable it is to perform the action of interest. The relative importance of each construct varies across circumstances and behaviors (Ajzen, 1991).

The TPB suggests that intentions are the immediate precursors of behavior (Ajzen, 2002). If the customers' intentions (attitude) to switch to a competitor and the perceived ability (control) to switch over were high, then the behavior was more likely to result. The TPB further claims that behavioral aspirations can be used to predict ensuing actions (Al-Swidi, Behjati & Shahzad, 2012); this realization can be attributed to one's purpose in choosing whether or not they want to remain a loyal customer to an online shop (Ajzen, 1991). The attitudes related to trust, security and convenience are of significant influence on the consumers' intent to re-purchase from the same online retailer. The TPB is integral to this study as it infers that behaviors are goal driven and as such the sales process may lead customers to undertake or forego purchases and choose whether to exercise loyalty to the retailer - hence e-satisfaction, e-service quality and e-trust could be

dimensions that influence customer loyalty. A customers' decisions regarding brand loyalty and purchases hinge on their attitude, expectations and intentions (Oliver, 1980).

### **2.2.2 Technology Acceptance Theory**

The Technology Acceptance Model Theory (TAM) developed by Davis in 1989, was based on the Theory of Reasoned Action by Fishbein and Ajzen in 1975. TAM proposes that the perceived usefulness and perceived ease of use of technology determines its utility and acceptance. Perceived usefulness represents the conviction that using a particular technology will raise performance. Perceived ease of use represents the conviction that the use of the system is free of effort. Perceived usefulness and perceived ease of use are critical elements which are influenced by extrinsic variables such as political, cultural and social factors (Davis, 1989).

With respect to e-tailing, perceived usefulness represents a customer's perception of how online retailing simplifies and enhances their shopping experiences in terms of convenience, efficiency and affordability (Davis, 1989). Perceived ease of use represents a customer's ability to familiarize themselves with the e-tailing platform and the ease to use to navigate the online store. Research by Wolfinbarger and Gilly (2003) concluded that perceived usefulness and perceived ease of use were positively and significantly correlated with customer e-satisfaction and e-loyalty, as these factors influenced attitude and intentions to shop online. In this study, TAM contributes to the understanding of the variables (e-satisfaction, e-trust and e-service quality) that affect consumer behavior and user experience in e-tailing, as customer experience determines the frequency of using the online retailing websites and loyalty to the retailer.

## **2.3 Empirical Review**

This section outlines prevailing literature on customer e-loyalty in the online retail industry and the determinants influencing customer e-loyalty particularly e-service quality, e-satisfaction and e-trust.

### **2.3.1 E-Loyalty**

E-loyalty has been ideated as a patron's desire to repeatedly purchase from a particular online retailer and resist switching to other retailers (Valvi & West, 2013). E-loyalty encompasses aspects

of online-based sales behavior (Chang et al., 2009). Reichheld and Sasser (1990) publicized that an organisation that retains just 5 percent of its patrons, could grow its profits by 25 to 85 percent; however some studies (Reinartz & Kumar, 2000; Timothy et al., 2005) point out that many organisations invest fortunes in a bid to foster customer loyalty only to end up with modest financial returns; therefore researchers have called for more comprehensive and thorough analyses of the determinants and consequences of e-loyalty (McCarthy, 1997; Szymanski & Henard, 2001). This research hence sought to present a comprehensive analysis of the factors that influence customer loyalty within the online retail industry in Kenya.

### **2.3.2 E-Service Quality and Customer E-Loyalty**

The quality of a service is an abstract phenomenon and as such cannot be measured objectively – there are several attributes unique to services such as: variability, intangibility, perishability, lack of ownership and heterogeneity (Parasuraman et al., 1988). Service quality involves a juxtaposition between expectations and end-results (Parasuraman et al., 1988). In 1985, Parasuraman et al. came up with the service quality model, also referred to as the SERVQUAL Model. In this model, the researchers recommended using the gap between the expectation and delivered level of service to evaluate the perception of service quality. The model comprises the following dimensions: Assurance, tangibles, responsiveness, empathy and reliability. In 2005, Parasuraman et al. developed a new scale called E-S-QUAL, factoring in service quality dimensions within online environments. The E-S-QUAL model comprises four dimensions: privacy, fulfillment, system availability and efficiency. The researchers further improved on the E-S-QUAL model by introducing three dimensions: contacts, compensation, and responsiveness, to form the E-RecS-QUAL model. With this model, researchers could measure the quality of the online retail service along the entire shopping cycle from looking up offered goods and services, to comparing competing products, to virtual payments and to after-sales services (Parasuraman et al., 2005).

Hossain and Hossain (2011) investigated the interrelationship between e-loyalty and e-service quality. The researchers focused on the consumer electronic retail industry in Sweden. The population of the study comprised online shoppers located in Sweden who had bought electronic products through online retailers. Using a non-probabilistic convenience sampling approach, a sample size of 200 participants was drawn up. The study was anchored on 4 elements of e-service

quality: security, responsiveness, reliability and ease of use. The research concluded that these elements of e-service quality had a positive and statistically significant relationship with customer e-loyalty. Findings from the study demonstrated that if a company satisfactorily presents the contents of the online retail website and ensures the safety of transactions, then consumers were more likely to remain loyal towards that company. While the study focused on the consumer electronic retail industry, this research sought to broaden the focus to all online retail products in general.

A study by Jun, Yang and Kim (2004) conducted in the U.S.A. concluded that e-service quality is a critical determinant of e-loyalty and consequently, the profitability of online retailers. The authors adapted and modified elements from the SERVQUAL model proposed by Parasuraman et al. in 1985. The study sampled 228 students from 2 universities, located in the U.S.A., as well as members of the Institute for Supply Management and those from the American Society for Quality Control located in the U.S.A. The study identified 6 e-service quality elements as perceived by online customers: ease of use, ease of access, reliable/prompt responses, security, credibility and attentiveness. The study concluded that factors that contribute to e-loyalty stem from online retailers providing customers with accurate, prompt, and personalized services. The study also highlighted that in maintaining the quality and design of their websites, well-organized online catalogs, easy navigation of their online systems and concise contents, the online retailer could build customer e-loyalty. The findings from the study were helpful to this research, as it assisted the researcher in determining how to measure e-satisfaction as a determinant of e-loyalty within the online retail industry in Kenya.

Swaid and Wigand (2009) analyzed 6 elements of e-service quality: assurance, responsiveness, website usability, quality of information, personalization and reliability, and 3 dimensions of e-loyalty: complaints management, tolerance and price. 577 college students studying in the U.S.A. who made at least 3 online transactions within 3 months prior to the study were sampled. The results revealed that the e-service quality attributes of assurance and reliability were the most critical factors which influenced e-loyalty constructs, such as word-of-mouth recommendations, loyalty under price hikes and repurchase intentions. Furthermore, the study concluded that the quality of information, responsiveness and website usability had a positive influence on e-loyalty.

The researchers recommended that future studies conduct cross-cultural comparisons in different countries and include other variables such as e-trust, e-satisfaction, and varied product offerings, which this thesis sought to address.

A study by Ponirir (2011) was conducted to evaluate the nature of relationships between the elements that influence e-loyalty and investigate the variability in the relationships among these dimensions and their affiliations with e-loyalty, across developed and developing countries. The study sampled data from 222 Australian and 387 Indonesian online customers. The research did not find any positive correlation between e-loyalty and e-service quality in Indonesia. However, the study found that e-service quality positively impacted e-loyalty in the developed country, Australia. This research thus sought to determine the influence of e-service quality on e-loyalty within the online retail industry in Kenya.

### **2.3.3 E-Satisfaction and Customer E-Loyalty**

Kotler (2000) describes customer satisfaction as “a person’s feelings of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) to his or her expectations”. The construct of e-satisfaction is highly abstracted and is made up of several factors that can differ from context to context (Anderson & Srinivasan 2003; Oliver, 1999). Scholars have however tried to establish a universal measure of customer satisfaction, such as ACSI, which is an economic barometer that provides information on how satisfied consumers in the U.S.A. are with the goods and services available to them (Fornell, Johnson, Anderson, Cha & Bryant, 1996).

Kim, Byoungcho and Swinney (2009) administered a study to analyze the determinants of e-loyalty, namely e-trust, e-satisfaction and multi-dimensional facets of e-service quality in the U.S.A. The study sampled 182 consumers from 3 universities in the U.S.A., who had made online purchases. The study concluded that due to the numerous alternatives found online, customers need to perceive the highest level of satisfaction to exhibit loyalty to a particular online retailer. These findings are helpful to this research as they assisted the researcher in including e-satisfaction as one of the dimensions under study that could influence e-loyalty within the online retail industry in Kenya.

Jin et al. (2008) conducted research that investigated the relationship between e-loyalty and e-satisfaction in 2 separate locations, South Korea and the U.S.A. The study analyzed the interrelationship between e-satisfaction and e-loyalty within these locations, by sampling 385 customers who were members of credit unions. The study concluded that e-satisfaction was positively and significantly correlated with e-loyalty in South Korea. The study however did not uncover any affirmation that e-loyalty and e-satisfaction were positively correlated in the U.S.A. This research thus aimed to understand the relationship between e-satisfaction and e-loyalty within the online retail industry in Kenya.

A study by Ponirin (2011) that analyzed the antecedents of e-loyalty, sampled data from 222 Australian and 387 Indonesian online customers, and discovered no positive relationship between e-loyalty and e-satisfaction within developed countries such as Australia; the study however found a positive and statistically significant relationship between these variables in developing countries. The study also discovered a more substantial correlation between e-satisfaction and e-trust, realizing that e-trust could also be a factor that influences e-loyalty, signaling a need to include it in future research studies; which this thesis sought to examine.

#### **2.3.4 E-Trust and Customer E-Loyalty**

Anderson and Srinivasan (2003) expressed that e-trust can be reflected by the level of risk a customer perceives while shopping online; furthermore, potential customers are less likely to patronize an online retailer if they deem their offerings as unreliable. Online shopping environments have no direct or physical contacts, little to no social pressures and interactions, and are mediated by digital devices (Jin et al., 2008). With respect to this, customers are more likely to patronize online retailers whom they have confidence in (Singh & Sirdeshmukh, 2000).

Mukherjee and Nath (2007) carried out research analysing the influence of e-trust within online retailing in the United Kingdom. The study sampled 400 professionals and students of British universities using convenience sampling. The study found that the security and privacy features of the website, and interactive online virtual community relationships are critical antecedents of e-trust, which positively influences e-loyalty. The study was limited in scope as it did not analyze

other variables such as e-service quality and e-satisfaction, which may affect e-loyalty, which were included in this research.

Research by Arya and Srivastava (2015) demonstrated that e-trust enables patrons secure assurance and affirmation from online retailers, which consequently helps maintain long-term relationships with merchants. The e-loyalty model was empirically examined with different respondents; 493 of whom were online users who favored a particular website and 352 of whom were university students who used multiple websites. The study was carried out in India and as such the outcomes of the research cannot be generalized to a Kenyan situation as culture and social attributes are different between the two nations. This study purposed to resolve the research gap by analysing the correlation between e-loyalty and e-trust within the online retail industry in Kenya.

A study by Valvi and West (2013) ascertained that e-trust does not affect e-loyalty. This study was set in the United Kingdom and targeted online bookselling stores, in which e-loyalty models had yet to reach a definitive agreement. The research sampled 290 students, aged between 18 and over 54 years old, from a leading higher education institution in London. The study concluded that there was no statistically significant relationship between e-loyalty and e-trust due to the intricacies of the e-trust construct, which needs to be mediated by other antecedents, namely perceived value, price and satisfaction. This research purposed to investigate the influence of e-trust on e-loyalty within the online retail industry in Kenya.

## **2.4 Research Gap**

Several studies have concentrated on factors which influence e-loyalty from a mediating and moderating perspective, outside the retail industry, such as in transportation (Phuong & Trang, 2018), banking (Mang'anyi, Khabala & Govender, 2017), tourism (Jeon & Jeong, 2017; Lopez, González & Martin, 2018), and the telecommunications industry (Akpoyomare, Ladipo, Ighomereho & Odunewu, 2014). While a majority of empirical studies analysing elements which influence customer loyalty in the online retail industry have been conducted in the developed world (Ponirin, 2011), studies conducted in developing regions like Africa (Aineah, 2016; Dubihlela & Chauke, 2016; Indeché, 2017) have focused on singular dimensions (social, economic,

technological or psychological) that influence profitability. Furthermore, researchers have a general lack of consensus on the factors that influence e-loyalty within the online retail industry, limiting the generalizability of the conclusions from previous research – A study by Jin et al. (2008) concluded that the relationship between e-loyalty and e-satisfaction was not linear as it is influenced by cultural factors, although research by Kim et al. (2009) contradicts this conclusion, stating that increased customer e-satisfaction promotes greater e-loyalty. Moreover, research by Valvi and West (2013) did not find any relationship between e-loyalty and e-trust. According to Masese and Makena (2019), Kenya has about 20 million internet users. In spite of the importance of research into e-loyalty to harness this profitable retail venture, there is a deficiency of generalizable empirical evidence on the determinants of customer e-loyalty in the online retail industry in Kenya, which the research seeks to explore.



Table 2.1: Research Gaps

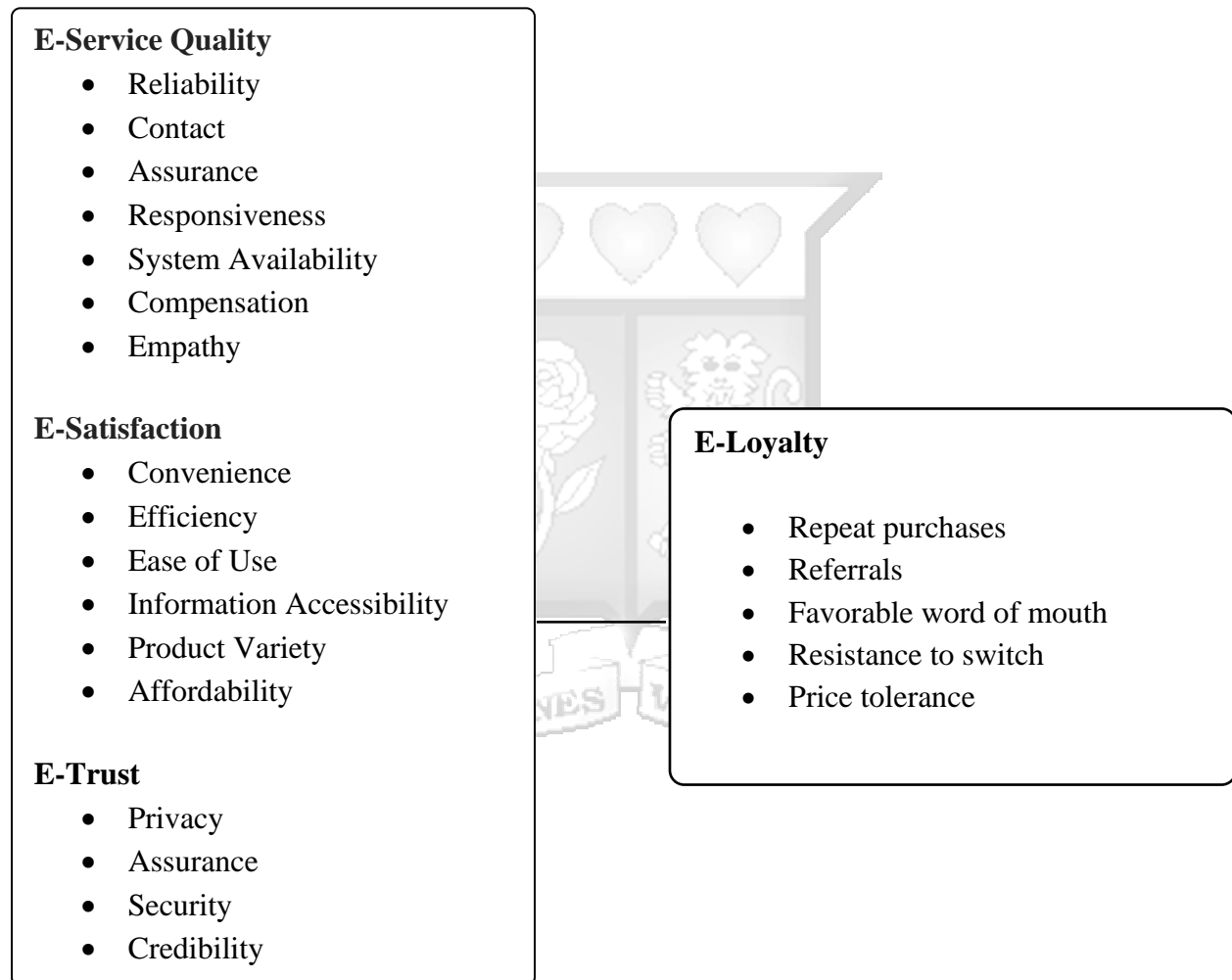
<b>Author</b>	<b>Title</b>	<b>Findings</b>	<b>Research Gaps</b>
Jin et al. (2008)	Cross-cultural examination of the relationship among firm reputation, e-satisfaction, e-trust, and e-loyalty	The research concluded that customer e-loyalty increased with customer satisfaction in South Korea, however, did not uncover any affirmation that e-satisfaction and e-loyalty were positively correlated in the U.S.A.	The study focused on online shoppers in South Korea and the U.S.A while the current study focused on the online retail industry in Kenya.
Ponirin (2011)	E-loyalty: Its Antecedents, Implications and Differences between Developing and Developed Countries	The study did not find any significant positive relationship between e-loyalty and e-service quality in Indonesia. The study found that e-service quality positively influenced e-loyalty in the developed country, Australia. The research also noted that in Australia, e-trust has no direct association with e-loyalty.	The study focused on online shoppers in Indonesia and Australia while the current study focused on the online retail industry in Kenya.
Valvi & West (2013)	E-loyalty is not all about trust, price also matters: extending expectation-confirmation theory in bookselling websites	The study concluded that there was no statistically significant relationship between e-loyalty and e-trust due to the intricacies of the e-trust construct, which needs to be mediated by other antecedents, namely perceived value, price and satisfaction.	The study focused on e-trust as a determinant of e-loyalty in the United Kingdom while the current study focused on the determinants of e-loyalty within the online retail industry in Kenya namely, e-trust, e-satisfaction and e-service quality.
Aineah (2016)	Factors Influencing Online Purchasing Intention among College Students in Nairobi City	The study concluded that online shops should be user friendly (perceived usefulness) and very easy to use (perceived ease of use) and should limit requests for excessive information from the customers to promote security and trust.	The research focused on technological features that influence online shopping among college students in Nairobi while the current study focused on focused on the determinants of e-loyalty within the online retail industry in Kenya.

Source: Researcher (2020)

## 2.5 Conceptual Framework

The variables being investigated in a study are visualized via the conceptual framework (Kothari, 2008). The independent variables were e-service quality, e-satisfaction and e-trust. The dependent variable was e-loyalty within the online retail industry in Kenya. Figure 2.1 represents the relationship among the variables in the study.

Figure 2.1: Conceptual Framework



Independent Variables

Dependent Variable

Source: Researcher (2020)

## 2.6 Operationalization of Variables

This subsection outlines how the variables were measured.

Table 2.2: Operationalization of Variables

Objective	Variable & Indicators	Measurement Criteria in Questionnaire	Statistical test	Source
To evaluate the influence of the e-service quality on customer e-loyalty within the online retail industry in Kenya.	E-Service Quality (independent variable) was measured by reliability, realization, responsiveness and compensation.	5-point Likert scale.	Descriptive Statistics Correlation Analysis Regression analysis	Parasuraman et al. (1985), Parasuraman et al. (2005)
To evaluate the influence of the e-satisfaction on customer e-loyalty within the online retail industry in Kenya.	E-Satisfaction (independent variable) was measured by convenience, efficiency, ease of use, information accessibility, product variety and affordability.	5-point Likert scale.	Descriptive analysis Correlation Analysis Regression analysis	Alam & Yasin (2010), Sanyal (2019), Siraj et al. (2020)
To evaluate the influence of the e-trust on customer e-loyalty within the online retail industry in Kenya.	E-Trust (independent variable) was measured by privacy, assurance, security and credibility.	5-point Likert scale.	Descriptive analysis Correlation Analysis Regression analysis	Tamimi & Sebastianelli (2007)
None	E-Loyalty (dependent variable) was measured by repeat purchases, referrals, favorable word of mouth, resistance to switch and price tolerance.	5-point Likert scale.	Descriptive analysis Correlation Analysis Regression analysis	Hsu et al. (2013), Kabadayi & Aygun (2007), Reichheld & Schefter (2000)

Source: Researcher (2020)

## 2.7 Chapter Summary

This chapter reviewed the relevant theoretical and empirical literature that informed the research. The study was grounded on the theory of planned behavior and the technology acceptance model theory. From the review of literature, it is observable that numerous studies have been undertaken to identify the determinants of e-loyalty in the online retail industry, however, the results are inconclusive, circumstantial and limited in scope, hence, cannot be generalized to a Kenyan context due to the geographical and cultural limitations of the aforementioned studies. This study sought to address this knowledge gap.



## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This section outlines the study methodology. The research design, sampling methodology, data collection methods, reliability and validity of the research instruments, data analysis approaches and ethical considerations are presented hereunder.

#### **3.2 Research Design**

Research design underlines the framework adopted to formulate the research questions, identify information needed for analysis, method of collecting data and techniques useful for analysing data for the study (Sekaran & Bougie, 2010). A descriptive research design applied in detailing situations, behaviors, phenomena, subjects and situations was adopted in this study (Kothari, 2008). This design was deemed appropriate for the study as it tends to explain cause and effect without involving other environmental factors, and allows the researcher to describe the relationships amongst variables under study without manipulation (Sekaran & Bougie, 2010).

#### **3.3 Population of the Study**

A target population comprises individuals or elements the researcher is concerned with generalizing the study conclusions from (Sekaran & Bougie, 2010). The intended population for this study was online shoppers in Kenya. This study focused on customers who have patronized Jumia Kenya. Jumia is Kenya's largest online retailer, catering to 80 percent of the Kenya's online marketplace (Mboya, 2020), hence the choice of Jumia Kenya for the research.

#### **3.4 Sampling Design**

Kothari (2008) describes a sampling frame as a collection of items from which a sample is drawn. The sampling frame of this research was drawn from online shoppers who patronize Jumia Kenya. Sampling entails selecting a subset of elements from a population to approximate the attributes of the entire population (Cooper & Schindler, 2011). The research was conducted between April and July 2020, and utilized a convenience sampling approach to identify online shoppers who patronize Jumia Kenya. Convenience sampling was deemed suitable for the research as the researcher had access to a uniform and easily accessible sampling frame. These respondents were online

shoppers who visited Jumia Kenya collection centers to collect their goods, shoppers who have purchased their goods from Jumia agents and couriers, and those who actively interacted on Jumia’s customer channel on Facebook. The sample size for this research was drawn from the 5.5 million active customers who actively shop at Jumia Kenya (Kivuva, 2020).

Yamane (1967) prepared a formula used to compute sample sizes, exhibited hereunder:

$$n = \frac{N}{1+N(e)^2}$$

Where: N = population size, n = sample size, and e = margin of error of 5% (representing a confidence level of 95%).

Hence the sample size was calculated as follows:

$$= \frac{5500000}{1+5500000(0.05)^2} \approx 400 \text{ customers}$$

The study sample size calculated for the study was 400 online shoppers who had made online purchases at Jumia Kenya.

### 3.5 Data Collection Methods

Questionnaires were utilized in this research to capture the primary data. These questionnaires were administered to online shoppers and comprised structured questions to collect quantitative data - the questionnaires comprised close-ended questions. The questionnaire comprised five sections designed in line with the research objectives (see Appendix V). Section A outlines the demographic information. Section B, C and D covered the dependent variables, while section E covered questions on the dependent variable. These questions measured responses using a 5-point Likert scale. Brace (2008) mentions that Likert scales are applicable when capturing or measuring perceptions and attitudes. Using questionnaires in data collection was advantageous mainly because the researcher could access a large group of people economically. The researcher administered questionnaires to online shoppers who visited Jumia Kenya collection centers within

Nairobi to collect their goods. The researcher also contacted Jumia agents and couriers, who shared customer’s emails and phone numbers with the researcher. The researcher also contacted respondents via Jumia’s customer channel on Facebook. The researcher introduced himself to the respondents using an introductory letter, communicating the importance of the research to the respondents and why they were instrumental in the data collection process (see Appendix I). The questionnaire was communicated via email and WhatsApp to increase the response rates. The researcher reviewed the filled-in questionnaires to ensure that the data captured was up to standard, as per the academic guidelines.

### 3.6 Pilot Testing

Pilot tests help determine if there are deficiencies or shortcomings in the questionnaire design and allow for necessary amendments before the implementation of the study (Kothari, 2008). Sekaran and Bougie (2010) advised that pilot tests are indispensable to testing the reliability and validity of data collection instruments. A sample size recommended for a pilot test should be about 10% of the sample size of the main research (Connelly, 2008); thus, a group of 40 online shoppers who patronize Jumia Kenya was selected for the pilot study. These respondents were drawn as follows, based on the researcher’s judgement of the likely distribution of respondents:

Table 3.1: Pilot Testing Sample Size Distribution

Sample Group	Sample Size
Online shoppers from Jumia collection centers	20
Online shoppers referred to by Jumia agents and couriers	10
Online shoppers from Jumia’s Facebook channel	10
<b>Total</b>	<b>40</b>

Source: (Researcher, 2020)

#### 3.6.1 Validity of Data Collection Instruments

Validity is described as the assessment of an instrument's ability to measure what is purposed from the study objectives (Sekaran & Bougie, 2010). The questions used in the research were adopted from similar studies (Jin et al., 2008; Ponirin, 2011; Valvi & West, 2013) as they had similar research objectives. A pilot test with 40 respondents was conducted to identify potential flaws with

the design of the questionnaire. The goal of the pilot test was to guarantee that the respondents comprehended the questionnaire, subject to amendments that followed the pilot test. According to Saunders, Lewis and Thorn (2016), a pilot study is indispensable when collecting data using questionnaires. Following the pilot test, the major weakness identified was that some of the questions did not use simple language and so were not comprehensible to the respondents; these were edited and reviewed by the research supervisor prior to the collection of data.

### 3.6.2 Reliability of Data Collection Instruments

Reliability assesses the extent to which a research instrument repeatedly captures consistent outcomes (Cooper & Schindler, 2011). Cronbach’s alpha refers to a correlation coefficient between two data sets - the scores obtained from the test are referred to as the reliability coefficient (Cronbach, 1951). The reliability of the study objectives is determined using Cronbach’s alpha. The reliability coefficient ranges between 0 and 1 - if the value is 0, it implies that the test score is not reliable; however, if the value is higher, it suggests that the test scores are more reliable (Saunders et al., 2016). For this study, a reliability coefficient of 0.7 and over was deemed acceptable.

The findings in Table 3.2 highlight that e-service quality had a coefficient of 0.984; e-customer satisfaction had a coefficient of 0.833, e-trust had a coefficient of 0.962 and customer e-loyalty had a coefficient of 0.850. From the study, the values of Cronbach’s Alpha are higher than the suggested value of 0.7; this implies that the study was deemed reliable. The researcher calculated the aggregated value of the reliability of all variables (3.629) and then divided by the total number of variables (4), totaling to 0.907 as the composite score of reliability.

Table 3.2: Reliability Test

<b>Variables</b>	<b>Reliability Cronbach’s Alpha</b>	<b>Number of items</b>	<b>Comments</b>
<b>E-Service Quality</b>	0.984	20	Accepted
<b>E-Customer Satisfaction</b>	0.833	20	Accepted
<b>E-Trust</b>	0.962	20	Accepted
<b>Customer E-Loyalty</b>	0.850	20	Accepted
<b>Mean</b>	0.907	20	Accepted

Source: (Researcher, 2020)

### 3.7 Data Analysis

The approach used to analyze data depends on the nature and scales of measurement (Kothari, 2008). Initially, the collected data was probed and inspected for comprehensibility. Consequently, the data was cleaned, coded into numerical form and captured into the SPSS (version 23) software for analysis. Thereafter, the researcher used descriptive statistics (mean, standard deviation and frequency distribution) for data analysis. Descriptive analysis was used to compile the general characteristics of the population under study. Finally, inferential statistics (multiple regression and correlation analyses) was applied to examine the relationship between the variables in the study. The equation below was established to examine this relationship:

$$\gamma = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \varepsilon$$

where:

$\gamma$  = e-loyalty towards the online retailer

$x_1$  = e-service quality

$x_2$  = e-satisfaction

$x_3$  = e-trust

$\beta_0$  = constant

$\varepsilon$  = error term



Multiple regression analysis was used to measure the relationship between the variables under study. This was achieved by deriving a correlation coefficient to measure the linear significance of their interrelationship. Correlation analysis was undertaken to quantify the association between the independent variables (e-satisfaction, e-service quality and e-trust) and the dependent variable (e-loyalty towards the online retailer). The following assumptions were tested prior to running the regression analysis: linearity of relationships, lack of multicollinearity and homoscedacity. The Pearson Correlation Coefficient was used to measure the linearity between the variables. The test results demonstrated that the independent variables were not highly correlated with one other thereby denoting a lack of multicollinearity.

### **3.8 Ethical Considerations**

The study was executed with adherence to ethical standards and procedures. Ethical approval was solicited from the Strathmore University Ethics board, as a precursor to carrying out the study (see Appendix II). A permit to authorize data collection was also obtained from NACOSTI before the study was conducted (see Appendix III). The researcher received consent from the study participants, clearly stating the aims of the study before providing them with the questionnaire. The respondents were notified of their right to take part in the study. The data gathered from the questionnaires was handled with confidentiality throughout the study. The researcher further observed confidentiality, transparency and truthfulness while conducting the research.



## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

This section outlines the data analysis, interpretation and presentation of data collected from the participants. This section also covers the general attributes of respondents and findings based on the objectives of the study.

#### 4.2 Response Rate

The study targeted 400 online shoppers from Jumia Kenya - 246 out of the 400 respondents from the sample group filled in the questionnaires, resulting in a response rate of 61.5%. A response rate of 50% and over is ample enough to advance with data analysis (Earl, 2009). Table 4.1 highlights the response rates as per the research.

Table 4.1: Response Rate

Response Rates	Frequency	Response Rate (%)
No response	154	38.5
Actual respondents	246	61.5
Targeted respondents	<b>400</b>	<b>100</b>

Source: (Researcher, 2020)

#### 4.3 Demographic Information

This segment presents the respondents' demographic information. The details illustrate the relevant characteristics of the population. The captured attributes include: gender, level of education, age, income and frequency of online shopping.

##### 4.3.1 Gender of the Respondents

The participants were requested to identify their gender. These findings exhibited in Table 4.2 demonstrate that most of the participants were male (54.9%), while the rest (45.1%) were female. The results can be considered to be gender inclusive as no gender was discriminated against when carrying out the research.

Table 4.2: Gender of the Respondents

<b>Gender</b>	<b>Frequency</b>	<b>Percent (%)</b>
Male	135	54.9
Female	111	45.1
<b>Total</b>	<b>246</b>	<b>100</b>

Source: (Researcher, 2020)

#### 4.3.2 Age of the Respondents

The findings highlight that most (44.3%) of the participants were 26-35 years old; 24.4% were 18-25 years of age, 19.1% were 36-45 years of age, 8.5% were 46-55 years of age, and 3.7% were above 55 years old, as highlighted in Table 4.3.

Table 4.3: Age of the Respondents

<b>Age Group (years)</b>	<b>Frequency</b>	<b>Percent (%)</b>
18-25	60	24.4
26-35	109	44.3
36-45	47	19.1
46-55	21	8.5
Above 55	9	3.7
<b>Total</b>	<b>246</b>	<b>100</b>

Source: (Researcher, 2020)

#### 4.3.3 Educational Level

Table 4.4 establishes that most of the respondents possess a bachelor's degree (42.7%); 32.9% were diploma holders, 13.4% had different certifications, 9.8% had a master's degree and 1.2% had doctorate degrees. The findings showcase a high literacy level amongst online shoppers in Kenya; thus, the respondents well understood the questionnaires.

Table 4.4: Highest Educational Level of the Respondents

Education Level	Frequency	Percent (%)
Certificate	33	13.4
Diploma	81	32.9
Degree	105	42.7
Masters	24	9.8
PhD	3	1.2
Other	0	0
<b>Total</b>	<b>246</b>	<b>100</b>

Source: (Researcher, 2020)

#### 4.3.4 Average Monthly Income

The research established that 42.9% of the participants' average monthly income was KShs. 20,000 - KShs. 50,000, 33.9% of the respondent's average monthly income was KShs. 50,000 - KShs. 100,000, 14.7% of the respondent's monthly average salary was more than KShs. 100,000 and only 8.5% of the respondent's monthly income was less than KShs. 20,000.

Table 4.5: Average Monthly Income of the Respondents

Average Monthly Income	Frequency	Percent (%)
Less than KShs. 20,000	21	8.5
Between KShs. 20,000 and KShs. 49,999	105	42.9
Between KShs. 50,000 and KShs. 100,000	83	33.9
More than KShs. 100,000	36	14.7
<b>Total</b>	<b>246</b>	<b>100</b>

Source: (Researcher, 2020)

#### 4.3.5 Frequency of online shopping

The research established that 85.4% of the participants patronize Jumia Kenya 0-5 times in a month, 12.2% shop at Jumia Kenya 6-10 times in a month, and 2.4% shop at Jumia Kenya 11-15 times in a month. Table 4.6 shows that majority of online shoppers were not frequent shoppers at Jumia Kenya.

Table 4.6: Frequency of online shopping at Jumia Kenya

<b>Frequency of online shopping at Jumia Kenya</b>	<b>Frequency</b>	<b>Percent (%)</b>
0-5 times per month	210	85.4
6-10 times per month	30	12.2
11-15 times per month	6	2.4
More than 15 times per month	0	0
<b>Total</b>	<b>246</b>	<b>100</b>

Source: (Researcher, 2020)

#### **4.4 Descriptive Statistics**

This segment presents the findings based on the research objectives. The respondents were asked to give their opinions based on a 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-strongly agree.

##### **4.4.1 E-Service Quality within the Online Retail Industry in Kenya**

The study requested the participants to mention their extent of agreement with statements concerning e-service quality with respect to Jumia Kenya. The participants were requested to give their perspective based on a 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-strongly agree. The analysis is presented in Table 4.7.

Table 4.7: E-Service Quality within the Online Retail industry in Kenya

<b>Statements on E-Service Quality</b>	<b>Mean</b>	<b>Std. Deviation</b>
Jumia online store has a quality website	4.085	0.9545
Jumia online store offers good customer support	2.4024	1.34492
Jumia online store has a convenient buying procedure	3.6341	1.26664
Jumia online store has fast loading pages	4.2317	0.81764
Jumia online store is simple to use	4.1098	0.97737
Jumia online store provides accurate information	3.4878	1.02909
Jumia online store website offers convenient payment procedures	4.5366	0.62977
Jumia online store provides clear terms and conditions	3.061	1.11041
Jumia online store has helpful online customer service representatives	2.3171	1.27017

Source: (Researcher, 2020)

The results indicate that the participants strongly agreed with the statement that Jumia online store offers convenient payment procedures, which had a mean score of 4.5366. The respondents concurred with the statements that Jumia online store has fast loading pages, Jumia online store is simple to use, Jumia online store has a quality website and that Jumia online store has a convenient buying procedure; these statements had mean scores of 4.2317, 4.1098, 4.085 and 3.6341 respectively. The respondents remained neutral on whether Jumia online store provides accurate information and whether Jumia online store provides clear terms and conditions; these statements had mean scores of 3.4878 and 3.0610, respectively. The participants did not agree with the statements that Jumia online store offers good customer support and that Jumia online store has helpful online customer service representatives; these statements had mean scores of 2.4024 and 2.3171 respectively.

#### **4.4.2 E-Satisfaction within the Online Retail Industry in Kenya**

The participants were requested to mention the degree of their concurrence with the statements regarding the e-satisfaction with respect to Jumia Kenya. The participants were requested to give their point of view based on a 5-point Likert scale where 1-strongly disagree, 2- disagree, 3-neutral, 4-agree, 5-strongly agree. The results are presented in Table 4.8.

Table 4.8: E-Satisfaction within the Online Retail Industry in Kenya

<b>Statements on E-Satisfaction</b>	<b>Mean</b>	<b>Std. Deviation</b>
Jumia online store efficiently delivers orders	3.0122	1.3232
Jumia online store timely delivers orders	2.4146	1.27089
Jumia online store offers a variety of products and services	4.1956	0.86272
Jumia online store has favorable pricing for its product range	4.0244	0.93863
Jumia online store's products and services don't vary between what is advertised on the site and what is delivered to the customer	3.2805	1.13145
Jumia online store has a clear return policy	3.8293	1.16904
Jumia online store offers its customers a good online experience	2.7195	1.1529

Source: (Researcher, 2020)

The aggregations exhibited in Table 4.8 illustrate that the participants concurred with the statements that Jumia online store offers a variety of products and services, Jumia online store has favorable pricing for its product range and that Jumia online store has a clear return policy; these statements have mean scores of 4.1956, 4.0244 and 3.8293 respectively. The participants were neutral that Jumia online store's products and services don't vary between what is advertised on the site and what is delivered to the customer, Jumia online store efficiently delivers orders and that Jumia online store offers its customers a good online experience, with each statement having a mean score of 3.2805, 3.0122 and 2.7195 respectively. Moreover, the participants opposed the statement that Jumia online store timely delivers orders, as highlighted by its mean score of 2.4146.

#### **4.4.3 E-Trust within the Online Retail Industry in Kenya**

The participants were invited to mention their extent of agreement with statements regarding the e-trust with respect to Jumia Kenya. The participants were requested to give their point of view based on a 5-point Likert scale where 1-strongly disagree, 2- disagree, 3-neutral, 4-agree, 5-strongly agree. The analysis is presented in Table 4.9.

Table 4.9: E-Trust within the Online Retail Industry in Kenya

Statements on E-Trust	Mean	Std. Deviation
Jumia online store upholds customer values and ethics	3.2683	1.22273
Jumia store has a clear line of communication to its customers	2.4024	1.19037
Jumia online store handles customer complaints immediately	1.8415	0.97062
Jumia online store handles customer complaints adequately	2.11	0.9517
Jumia online store offers privacy to its customers	2.7561	1.26711
Jumia online store shows great concern for the security of its customers	3.0118	1.212676
Jumia online store customers are skeptical when shopping online	3.7561	0.99666
Jumia online store customers feel at risk when shopping online	3.8537	0.99125

Source: (Researcher, 2020)

The results from Table 4.9, showcase that the participants concurred with the statements that Jumia online store customers feel at risk when shopping online and that Jumia online store customers are skeptical when shopping online; these statements have mean scores of 3.8537 and 3.7561 respectively. The respondents were neutral on whether Jumia online store upholds customer values and ethics, Jumia online store shows considerable care for the security of its customers and that Jumia online store offers privacy to its customers - these statements had mean scores of 3.2683, 3.0118 and 2.7561 respectively. The results contradicted with the statements that Jumia online store has a clear line of communication to its customers, Jumia online store handles customer complaints adequately and that Jumia online store handles customer complaints immediately; these statements had mean scores of 2.4024, 2.1100 and 1.8415 respectively.

#### 4.4.4 Customer E-Loyalty within the Online Retail Industry in Kenya

The participants were invited to mention their extent of agreement with statements regarding customer e-loyalty towards Jumia Kenya. The respondents were requested to give their opinion based on a 5-point Likert scale where 1-strongly disagree, 2-disagree, 3-neutral, 4-agree, 5-strongly agree. The analysis is presented in Table 4.10.

Table 4.10: Customer E-Loyalty within the Online Retail Industry in Kenya

Statements on Customer e-loyalty	Mean	Std. Deviation
You are likely to switch to other online shops in the future	4.0488	1.06026
You recommend friends and relatives to shop at Jumia Kenya	3.4634	0.88795
You say positive things about Jumia Kenya to other people	3.6341	0.99606
Your first choice when they need to make an online purchase is Jumia Kenya	2.9268	1.316586
You are likely to purchase different products from Jumia Kenya in the future	3.9634	0.93169
You will continue to shop at Jumia Kenya even if the prices are increased	1.4919	0.85113
You frequently shop at Jumia Kenya	2.5569	1.16532
You always come back for repeat purchases at Jumia Kenya	2.9756	1.09517

Source: (Researcher, 2020)

Table 4.10 highlights that the participants agreed with the statements that they say positive things about Jumia Kenya to other shoppers, they are likely to switch to other online shops in the future, and that they are inclined to purchase different products from Jumia Kenya in the future; these statements had mean scores of 3.6341, 4.0488 and 3.9634 respectively. These respondents were neutral on whether they recommend friends and relatives to shop at Jumia Kenya, always come back for repeat purchases at Jumia Kenya, that their first choice when they need to make an online purchase is Jumia Kenya and that they frequently shop at Jumia Kenya; these statements had mean scores of 3.4634, 2.9756, 2.9268 and 2.5569 respectively. The respondents disagreed with the assertion that they will continue to shop at Jumia Kenya regardless of price hikes, which had a mean score of 1.4919.

#### **4.5 Relationship between E-Loyalty, E-Satisfaction, E-Service Quality and E-Trust**

The study established the relationship between variables using inferential statistics. The inferential statistics applied include Pearson product-moment correlation analysis and regression analysis.

### 4.5.1 Correlation Results

The Pearson correlation coefficient was adopted to determine the strength of the relationships between the determinants of e-loyalty (e-trust, e-satisfaction and e-service quality) at Jumia Kenya. It is measured on a scale that ranges from +1 to -1, whereby +1 represents a perfect positive correlation, while -1 characterizes a perfect negative correlation. A correlation coefficient of 0 depicts no correlation between the variables. The study findings are shown below in Table 4.11.

Table 4.11: Correlation Coefficients

		<b>E-Service Quality</b>	<b>E-Customer Satisfaction</b>	<b>E-Trust</b>	<b>Customer E-Loyalty</b>
<b>E-Service Quality</b>	Pearson Correlation	1	.145*	.050	.267**
	Sig. (2-tailed)		.022	.433	.000
	N	246	246	246	246
<b>E-Customer Satisfaction</b>	Pearson Correlation	.145*	1	.072	.181**
	Sig. (2-tailed)	.022		.263	.004
	N	246	246	246	246
<b>E-Trust</b>	Pearson Correlation	.050	.072	1	.175**
	Sig. (2-tailed)	.433	.263		.006
	N	246	246	246	246
<b>Customer E-Loyalty</b>	Pearson Correlation	.267**	.181**	.175**	1
	Sig. (2-tailed)	.000	.004	.006	
	N	246	246	246	246

Key:

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Source: (Researcher, 2020)

The correlation results in Table 4.11 demonstrate a positive and statistically significant relationship between e-service quality and customer e-loyalty within Jumia Kenya, as shown by  $r = 0.267$  and

$p=0.000<0.05$ . The  $r$  value (0.267) indicates a very weak linear relationship between e-service quality and customer e-loyalty, thus the study results infer that e-service quality has a significant relationship with customer e-loyalty within the online retail industry in Kenya.

The study results also show a positive and significant relationship between e-customer satisfaction and e-loyalty within Jumia Kenya, as shown by  $r =0.181$  and  $p=0.004<0.05$ . The  $r$  value (0.181) indicates a very weak linear relationship between e-customer satisfaction and customer e-loyalty, thus the study results infer that e-customer satisfaction has a significant relationship with customer e-loyalty within the online retail industry in Kenya.

The correlation results show a positive and statistically significant relationship between e-trust and customer e-loyalty within Jumia Kenya, as shown by  $r = 0.175$  and  $p=0.006 <0.05$ . The  $r$  value (0.175) indicates a very weak linear relationship between e-trust and customer e-loyalty, thus the study results infer that e-trust has a significant relationship with customer e-loyalty within the online retail industry in Kenya.

#### 4.5.2 Regression Results

The regression results in Table 4.12 exhibit an Adjusted R-Squared value of 0.554. These results demonstrate that 55.4% of the proportion of variation in customer e-loyalty within the online retail industry in Kenya can be explained by the e-satisfaction, e-service quality and e-trust variables. The other 44.6% can be justified by other predictors not covered in this study. The correlation coefficient value of 0.792 depicts that the variables in the study were strongly and positively related.

Table 4.12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.792 (a)	0.627	0.554	0.289

a. Predictors: (Constant), E-Trust, E-Service Quality, E Customer Satisfaction

Source: (Researcher, 2020)

An analysis of variance (ANOVA) test was executed to ascertain whether the data used in the research had merit. For the data to be deemed suitable for analysis, the threshold of significance chosen for the study was 0.05 at 95% confidence interval. The ANOVA results outlined in Table 4.13 show a significance value (p-value) of 0.000, which was less than 0.05 at 95% confidence interval. The F-critical value, obtained from the f-distribution tables, was less than F calculated ( $2.642 < 10.501$ ). These results mean that the regression model has a confidence level of over 95%; hence, the results have high reliability.

Table 4.13: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	347.082	3	115.694	10.501	.000 <sup>b</sup>
Residual	2666.126	242	11.017		
Total	3013.207	245			

a. Dependent Variable: Customer E-Loyalty

b. Predictors: (Constant), E-Trust, E-Service Quality, E-Customer Satisfaction

Source: (Researcher, 2020)

A regression model was adopted to evaluate the relationship between customer e-loyalty within the online retail industry in Kenya and each of the predictors (e-service quality, e-satisfaction and e-trust). The regression model was as follows:

$$\gamma = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \varepsilon$$

where:

$\gamma$  = e-loyalty towards the online retailer

$x_1$  = e-service quality

$x_2$  = e-satisfaction

$x_3$  = e-trust

$\beta_0$  = constant

$\varepsilon$  = error term

Table 4.14: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	10.281	2.649		3.881	.000
E-Service Quality	.259	.066	.239	3.915	.000
E-Customer Satisfaction	.143	.065	.135	2.210	.028
E-Trust	.138	.055	.153	2.523	.012

a. Dependent Variable: Customer E-Loyalty

Source: (Researcher, 2020)

From the findings in Table 4.14, a unit increase in e-service quality results in 0.259 units increase in customer e-loyalty, keeping all other variables constant. These results further show that ( $\beta = 0.2591$ ,  $p=0.000<0.05$ ), thus there is a positive and statistically significant influence of e-service quality on customer e-loyalty within the online retail industry in Kenya. A unit increase in e-customer satisfaction results in 0.143 units increase in customer e-loyalty, maintaining all other variables constant. The results further show that ( $\beta = 0.143$ ,  $p=0.028<0.05$ ), hence there is a positive and statistically significant influence of e-customer satisfaction on customer e-loyalty within the online retail industry in Kenya. A unit increase in e-customer satisfaction results in 0.138 units increase in customer e-loyalty, keeping all other variables constant. The results further show that ( $\beta = 0.138$ ,  $p=0.012<0.05$ ); therefore, there is a positive and statistically significant influence of e-customer satisfaction on customer e-loyalty within the online retail industry in Kenya.

From the values presented in Table 4.14, the regression model becomes;  $\gamma = 10.281 + 0.2591 x_1 + 0.143 x_2 + 0.138 x_3 + \varepsilon$ . This equation reveals that holding e-satisfaction, e-trust and e-service quality variables to a constant zero will considerably impact customer e-loyalty within the online retail industry in Kenya, as shown by the constant 10.281.

## CHAPTER FIVE

### SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This section discusses the significant findings outlined in the previous section, conclusions made and recommendations thereto. The chapter is thus organized into the following sections: summary, discussions, recommendations, limitations, conclusions and suggestions for future studies.

#### 5.2 Summary

This research embarked to analyze the determinants of customer e-loyalty within the online retail industry in Kenya. The study centered on Jumia Kenya as the online retailer of interest. This dissertation employed a descriptive research design. Questionnaires were issued to 400 individuals, of which 246 responded, bringing the response rate to 61.5%. Majority of the respondents were male, agreeing with a study conducted by Pradhana and Sastiono (2018) which concluded that online shopping elicits more risk than brick and motor shopping, so men will tend to be more careful while shopping online, whereas women are hedonic, so engage in shopping activities to experience and socialize. The respondents were predominantly young (below 35 years of age), which could be attributed to the predominantly young population in Kenya (Kenya National Bureau of Statistics, 2019). Mwencha (2015) also highlighted the growing smartphone penetration especially among young Kenyans which could accelerate the online shopping culture among the youthful population. Most of the respondents possessed university degrees agreeing with the findings of research by Forsythe and Shi (2003), which concluded that highly educated people were more inclined to shop online. The average monthly incomes of the respondents suggest that most of the online shoppers who patronize Jumia Kenya are lower-income and middle-income Kenyans. The Kenya National Bureau of Statistics (2019) categorizes the middle class as anyone who spends between KShs. 23,670 and KShs. 199,999 per month. The study revealed a low online purchase frequency among the respondents, which could be attributed to poor infrastructure (Herrmann, 2019). The study results showcased that there was a positive and statistically significant influence of e-trust, e-service quality and e-satisfaction and on customer e-loyalty within the online retail industry in Kenya.

### **5.3 Discussion**

This section showcases the discussions as per the analysis of the outcomes of the research.

#### **5.3.1 Influence of E-Service Quality on Customer E-Loyalty**

The study reveals a positive and statistically significant influence of e-service quality on customer e-loyalty within the online retail industry in Kenya. These results agree with the findings of Swaid and Wigand (2009) on a study on the influence of e-service quality (personalization, website usability, quality of information, responsiveness, reliability and assurance) on e-loyalty (preference loyalty and price tolerance). Although a study by Hossain and Hossain (2011) further revealed that e-service quality is a critical antecedent of e-loyalty, the results of this study showcase a weak positive relationship between customer e-loyalty and e-service quality within the online retail industry in Kenya. This is an indication that there are other variables that will motivate a customer to continue patronizing Jumia Kenya. The weak relationship could be explained by the fact that most online retailers in Kenya operate aesthetic websites with common and well recognized payment and delivery platforms, such as M-Pesa (Communications Authority of Kenya, 2020), which levels the competitive playing field.

The study findings highlighted that Jumia Kenya has convenient payment procedures, fast loading webpages, and a quality aesthetic website which is simple to use. A study by Jun et al. (2004) concluded that customers who experience poor customer support, slow loading websites, difficulty navigating webpages and deficient product information on e-commerce websites, will tend not to repeatedly shop at the online store - this is because consumers gravitate towards quality customer support, easy website navigation, aesthetic webpages and comprehensive site information available during online transactions.

#### **5.3.2 Influence of E-Satisfaction on Customer E-Loyalty**

The study reveals a weak positive but statistically significant influence of e-satisfaction on customer e-loyalty in the online retail market in Kenya. The findings concerning the influence of customer e-satisfaction on e-loyalty concur with the results of previous research which concluded that increased customer e-satisfaction promotes greater e-loyalty (Kim, Byoungho & Swinney, 2009). This result however does not agree with a study by Jin et al. (2008), which did not find any

statistically significant relationship between e-satisfaction and customer e-loyalty, in the case of the U.S.A. respondents.

The study established that while Jumia Kenya offers diversification in their product mix, favorable pricing for its product range and clear return policies, the weak positive relationship ascertained in this research could be accredited to the fact that there is little variability in the market and product offerings to justify switching online retailers. As most online retailers offer similar products and services, most customers are satisfied with their online purchases, hence e-satisfaction has a weak influence on their intent to re-purchase from the same retailer.

### **5.3.3 Influence of E-Trust on Customer E-Loyalty**

Results of the study indicate that e-trust has a positive and statistically significant influence on customer e-loyalty within the online retail industry in Kenya. These outcomes concur with the conclusions of previous studies (Arya & Srivastava, 2015; Mukherjee & Nath, 2007), though differs from the findings by Valvi and West (2013) who concluded that e-trust does not affect e-loyalty. In an online retail environment, customers do not have physical access to the store premises and merchandise prior to the purchase, thus e-trust is a vital factor in such transactions - the higher the consumer confidence within e-commerce, the higher the intentions to purchase repeatedly.

According to the analysis, e-trust affects e-loyalty, but to a lesser magnitude than the other variables in the study. This could be due to the fact that e-trust could be mediated by other antecedents, namely perceived value, price and satisfaction. This observation agrees with the findings of Ghane, Fathian and Gholamian (2011) who concluded that e-trust influences e-loyalty indirectly through e-satisfaction. Research by Singh and Sirdeshmukh (2000) also arrived at a similar conclusion, outlining that the buyer's level of trust in the seller will ultimately influence their level of e-satisfaction.

## **5.4 Conclusions**

This study sought to analyze the determinants of customer e-loyalty within the online retail industry in Kenya. The variables used in this research were drawn from the objectives of the study

which were to evaluate the influence of the e-service quality on customer e-loyalty within the online retail industry in Kenya, evaluate the influence of e-satisfaction on customer e-loyalty within the online retail industry in Kenya, and to evaluate the influence of the e-trust on customer e-loyalty within the online retail industry in Kenya. The study concludes that there is a positive and statistically significant influence of e-service quality on customer e-loyalty within the online retail industry in Kenya. Customers gravitate towards quality website design, navigation, utility and support. The study further concludes that there is a positive and statistically significant influence of e-customer satisfaction on customer e-loyalty within the online retail industry in Kenya. Clients who are fulfilled with an online retailer's services tend to repeatedly patronize the same retailer, to experience the same customer service again. When the online store effectively manages customers' expectations, these customers will tend to remain loyal to the retailer. In addition to that, the study also concludes that there is a positive and statistically significant influence of e-trust on customer e-loyalty within the online retail industry in Kenya. Security and privacy are critical issues for any online retail company, as customers require trust to commit to online transactions. The study is aligned with the Theory of Planned Behavior concluding that perceived behavioral control, subjective norms and customers' attitudes all influence the perceived value of the transaction. The consumers' experiences and expectations will influence their perceptions of value and determine their degree of loyalty and likelihood of repeat patronage to the e-retailer. The findings of the study also align with the Technology Acceptance Model theory demonstrating that customers gravitate toward e-trust, e-satisfaction, e-service quality, perceived usefulness and perceived ease of use, which in turn positively impacts customer e-loyalty. This study offers the following theoretical contributions: the study builds upon existing research on TPB, illustrating the influence of e-trust on e-loyalty, in addition to the standard TPB constructs. The study also provides future studies on TPB with more literature to comprehend e-loyalty, by validating this addition to e-tailing research. The study also builds upon TAM by exploring how e-trust, perceived ease of use and perceived usefulness anchor e-loyalty. It suggests that these variables contribute to elevating e-satisfaction and the behavioral response (customer e-loyalty) in e-tailing.

## **5.5 Recommendations**

The study recommends that online retailers improve upon practices and strategies that enhance e-service quality, such as good customer support and reliable online customer service representation. The study further recommends that online retailers consider automation tools such as chatbots for improved customer engagements. Online retailers could beautify their websites by improving navigation, structuring site content, and manifesting easy-to-understand terms and conditions.

The study also recommends that in order to elevate e-satisfaction and improve customer e-loyalty, these organisations need to do the following: online retailers could improve the client's experience by enhancing the quality and assortment of products and services provided, improving delivery times for orders, and investing in loyalty programs and incentives.

Jumia Kenya should also improve on practices and strategies that enhance e-trust, such as; having multiple channels of communication to its customers, investing in secure online browsing and payment protocols, and effective and efficient customer complaints management tools and protocols, for example, helpdesk systems.

The Government of Kenya should consider policies (such as tax laws and grants) that incentivize the foundation of online retail firms, which could address local, social and economic challenges, such as youth unemployment, cost of doing business and promotion of consumerism.

## **5.6 Limitations of the Study**

The study only focused on a single retailer - Jumia Kenya. The study measured e-satisfaction, e-service quality and e-trust, as determinants of customer e-loyalty, and did not factor in other elements such as environmental, social, cultural, political and economic perspectives.

## **5.7 Suggestions for Future Studies**

This study aimed to substantiate factors that influence customers' e-loyalty, via the e-customer satisfaction, e-service quality and e-trust dimensions, within the online retail industry in Kenya, with focus on Jumia Kenya. The study advocates replicating this research across assorted online retailers. Additional studies could also be conducted using samples selected in different regions

within Africa, to generalize the findings. Future researchers may also consider performing the same study with a variety of online retailers to understand how these determinants influence different product categories. Future studies could also include other determinants that could influence e-loyalty, such as socioeconomic, cultural, political, environmental and consumer characteristics.



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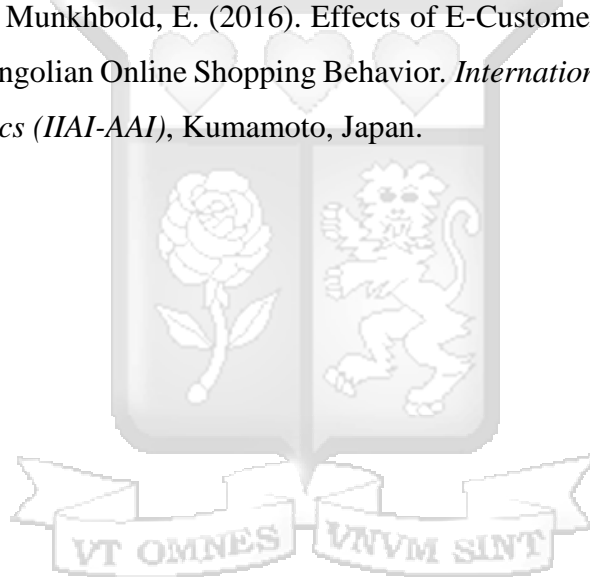
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## APPENDICES

### APPENDIX I: LETTER OF INTRODUCTION

To whom it may concern,

Dear Sir/Madam,

#### RE: FACILITATION OF RESEARCH - STEPHEN MWEGA MWAURA

This letter is to present Stephen Mwega, an MBA student at Strathmore Business School (Admission number MBA/113582/2018). As part of our MBA course, Stephen is expected to do applied research and present a dissertation, as partial fulfillment of the MBA program. To this effect, he would like to request for appropriate data regarding the research.

Stephen is undertaking a research paper on **“Determinants of Customer E-Loyalty in the Online Retail Industry in Kenya: A case study of Jumia Kenya”**. The collected data will be handled confidentially and shall be used for scholarly purposes only.

We would be happy to share our results with you after the study and we trust that you will find them of great interest and of practical value to the industry.

We appreciate your assistance and shall be open to provide further information as needed.

Yours Sincerely,

Director  
MBA Program  
Strathmore Business School

## APPENDIX II: ETHICAL REVIEW APPROVAL

12<sup>th</sup> May 2020

Mr Mwega, Stephen  
mwaura.stephen@strathmore.edu

Dear Mr Mwega,

### **RE: Determinants of Customer E-Loyalty in The Online Retail Industry in Kenya: A Case Study of Jumia Kenya**

This is to inform you that SU-IERC has reviewed and **approved** your above research proposal. Your application approval number is **SU-IERC0798/20**. The approval period is **12<sup>th</sup> May 2020 to 11<sup>th</sup> May 2021**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-IERC.
- iii. Death and life threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-IERC within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-IERC within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-IERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://oris.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,







Dr Virginia Gichuru,  
Secretary; SU-IERC

Cc: Prof Fred Were,  
Chairperson; SU-IERC



APPENDIX III: NACOSTI RESEARCH PERMIT


**REPUBLIC OF KENYA**  
 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION  
 Ref No: **614600**  
**RESEARCH LICENSE**  
  
 This is to Certify that **Mr.. STEPHEN MWEGA** of Strathmore University, has been licensed to conduct research in Nairobi on the topic: **DETERMINANTS OF CUSTOMER E-LOYALTY IN THE ONLINE RETAIL INDUSTRY IN KENYA: A CASE STUDY OF JUMIA KENYA** for the period ending : **15/May/2021**.  
 License No: **NACOSTI/P/20/4988**  
**614600**  
 Applicant Identification Number  
  
 Director General  
**NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION**  
 Verification QR Code  


**APPENDIX IV: PARTICIPANT CONSENT FORM**

You are being asked to partake in a study. Before you decide to participate in this exercise, it is essential that you understand the goals of the research and what it requires from you. You may reach out to the researcher if there is anything unclear or if you require more information. Kindly answer the questions below accordingly.

**TITLE: DETERMINANTS OF CUSTOMER E-LOYALTY IN THE ONLINE RETAIL INDUSTRY IN KENYA: A CASE STUDY OF JUMIA KENYA**

**PRINCIPAL INVESTIGATOR: Stephen Mwega, Strathmore Business School**

	<b>DECLARATION</b>	<b>Please mark (X) where appropriate</b>
1	I have read and understood details regarding the research, as provided in the sheet dated _____.	
2	I have been granted the opportunity to ask questions concerning the study.	
3	I consent to partake in the study.	
4	I understand that I can pull out from the study at any moment for any reason whatsoever.	
5	The policies concerning confidentiality have been clearly described to me.	
6	The use of data collected for research purposes has been explained to me.	
7	I acknowledge that other researchers will have access to this data only if they consent to preserve the confidentiality of the data and accept the terms specified in this form.	
8	The researcher and I consent to sign and date this agreement.	

## APPENDIX V: QUESTIONNAIRE FOR ONLINE SHOPPERS

### Instructions

This questionnaire is divided into **Section A, B, C, D and E**. Please respond as accurately and as honestly as possible to all the questions. Read each question carefully and follow the instructions. Please complete each section as instructed do NOT write your NAME on the questionnaire. All the information in this questionnaire will be kept confidential.

### Section A: Demographic information

Please mark (X) where appropriate.

1. Indicate your gender.

Male

[ ]

Female

[ ]

2. Indicate your highest educational level.

Certificate

[ ]

Diploma

[ ]

Degree

[ ]

Masters

[ ]

PhD

[ ]

Others .....

3. What is your age bracket?

18-25 years

[ ]

26-35 years

[ ]

36-45 years

[ ]

46-55 years

[ ]

Above 55 years

[ ]

4. What is the average of your monthly income?

Less than KShs. 20,000

[ ]

Between KShs. 20,000-49,999

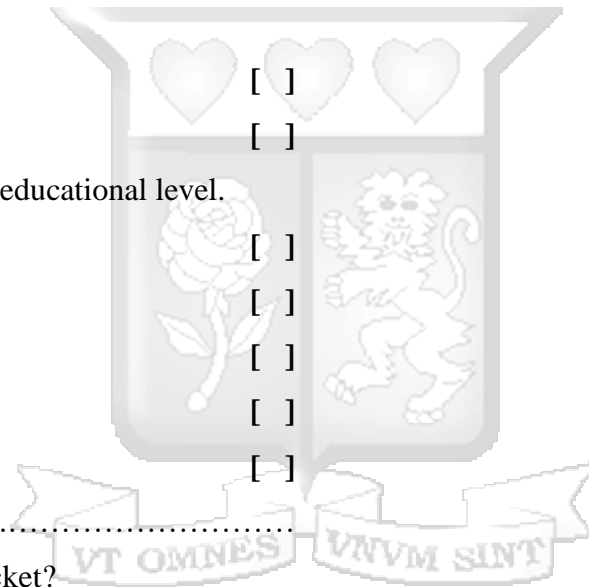
[ ]

Between KShs. 50,000-100,000

[ ]

More than KShs. 100,000

[ ]



5. How often do you do shop online within a month?

- 0-5 times
- 6-10 times
- 11-15 times
- More than 15 times

**Section B: E-Service Quality**

Below are dimensions of service quality that influence customer loyalty. Please indicate the extent to which they influence your loyalty to shopping at Jumia Kenya. Use a scale of 1-5 represented as follows: (1) - Strongly Disagree (2) - Disagree (3) - Neutral (4) - Agree (5) - Strongly Agree; and mark an X as appropriate.

Q.	Comment	1	2	3	4	5
6.	Jumia online store has a quality website.					
7.	Jumia online store offers good customer support.					
8.	Jumia online store has a convenient buying procedure.					
9.	Jumia online store has fast loading pages.					
10.	Jumia online store is simple to use.					
11.	Jumia online store provides accurate information.					
12.	Jumia online store website offers convenient payment procedures.					
13.	Jumia online store provides clear terms and conditions.					
14.	Jumia online store has helpful online customer service representatives.					

**Section C: E-Customer Satisfaction**

Below are dimensions of customer satisfaction that influence customer loyalty. Please indicate the extent to which they influence your loyalty to shopping at Jumia Kenya. Use a scale of 1-5 represented as follows: (1) - Strongly Disagree (2) - Disagree (3) - Neutral (4) - Agree (5) - Strongly Agree; and mark an X as appropriate.

Q.	Comment	1	2	3	4	5
15.	Jumia online store efficiently delivers orders.					
16.	Jumia online store timely delivers orders.					
17.	Jumia online store offers a variety of products and services.					
18.	Jumia online store has favorable pricing for its product range.					
19.	Jumia online store's products and services don't vary between what is advertised on the site and what is delivered to the customer.					
20.	Jumia online store has a clear return policy.					
21.	Jumia online store offers its customers a good online experience.					

#### Section D: E-Trust

Below are dimensions of trust that influence customer loyalty. Please indicate the extent to which they influence your loyalty to shopping at Jumia Kenya. Use a scale of 1-5 represented as follows: (1) - Strongly Disagree (2) - Disagree (3) - Neutral (4) - Agree (5) - Strongly Agree; and mark an X as appropriate.

Q.	Comment	1	2	3	4	5
22.	Jumia online store upholds customer values and ethics.					
23.	Jumia store has a clear line of communication to its customers.					
24.	Jumia online store handles customer complaints immediately.					
25.	Jumia online store handles customer complaints adequately.					
26.	Jumia online store offers privacy to its customers.					
27.	Jumia online store shows great concern for the security of its customers					
28.	Jumia online store customers are skeptical when shopping online					
29.	Jumia online store customers feel at risk when shopping online					

**Section E: Customer E-Loyalty**

Below are dimensions that measure customer loyalty. Please indicate the extent of your loyalty to shopping at Jumia Kenya. Use a scale of 1-5 represented as follows: (1) - Strongly Disagree (2) - Disagree (3) - Neutral; (4) - Agree (5) - Strongly Agree; and mark an X as appropriate.

Q.	Comment	1	2	3	4	5
30.	You are likely to switch to other online shops in the future.					
31.	You recommend friends and relatives to shop at Jumia Kenya.					
32.	You say positive things about Jumia Kenya to other people.					
33.	Your first choice when you need to make an online purchase is Jumia Kenya.					
34.	You are likely to purchase different products from Jumia Kenya in the future.					
35.	You will continue to shop at Jumia Kenya even if the prices are increased.					
36.	You frequently shop at Jumia Kenya.					
37.	You always come back for repeat purchases at Jumia Kenya.					

**THANK YOU FOR YOUR PARTICIPATION**



**APPENDIX VI: TIMELINES**

<b>Year</b>	<b>2019</b>		<b>2020</b>								
<b><i>Timeframe/Activity</i></b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>
Proposal Development and Defense											
Ethical Clearance											
Data Collection											
Data Analysis											
Thesis and manuscript writing											
Thesis Defense											



## APPENDIX VII: THE RESEARCH BUDGET

Activity	Amount (KShs.)
Proposal and thesis Printing	5,000.00
Buying books and journals and other consumables	20,000.00
Photocopying questionnaires	10,000.00
Binding	4,000.00
Travelling expenses	10,000.00
Data collection expenses	50,000.00
Cost of Data Processing	20,000.00
Miscellaneous	5,000.00
<b>Grand Total</b>	<b>124,000.00</b>

